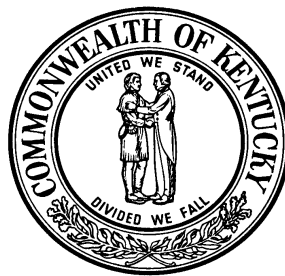


**REPORT OF THE AUDIT OF THE
WOODFORD COUNTY
FISCAL COURT**

**For The Fiscal Year Ended
June 30, 2010**



**CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS
www.auditor.ky.gov**

**209 ST. CLAIRE STREET
FRANKFORT, KY 40601-1817
TELEPHONE (502) 564-5841
FACSIMILE (502) 564-2912**

EXECUTIVE SUMMARY
AUDIT EXAMINATION OF THE
WOODFORD COUNTY FISCAL COURT

June 30, 2010

The Auditor of Public Accounts has completed the audit of the Woodford County Fiscal Court for fiscal year ended June 30, 2010.

We have issued unqualified opinions on the governmental activities, business-type activities, each major fund, and aggregate remaining fund information of Woodford County, Kentucky.

Financial Condition:

The fiscal court had total net assets of \$25,297,288 as of June 30, 2010. The fiscal court had unrestricted net assets of \$2,489,285 in its governmental activities as of June 30, 2010, with total net assets of \$25,279,953. In its business-type activities, total net cash and cash equivalents were \$11,743 with total net assets of \$17,335. The fiscal court had total debt principal as of June 30, 2010 of \$8,040,845 with \$698,845 due within the next year.

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities or bonds.

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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
Honorable Steven L. Beshear, Governor
Lori H. Flanery, Secretary
Finance and Administration Cabinet
Honorable John Coyle, Woodford County Judge/Executive
Members of the Woodford County Fiscal Court

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Woodford County, Kentucky, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Woodford County Fiscal Court. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, Woodford County, Kentucky, prepares its financial statements in accordance with the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Woodford County, Kentucky, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



To the People of Kentucky
Honorable Steven L. Beshear, Governor
Lori H. Flanery, Secretary
Finance and Administration Cabinet
Honorable John Coyle, Woodford County Judge/Executive
Members of the Woodford County Fiscal Court

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Woodford County, Kentucky's basic financial statements. The accompanying supplementary information, combining fund financial statements, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation of the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2011, on our consideration of Woodford County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

June 29, 2011

WOODFORD COUNTY OFFICIALS

For The Year Ended June 30, 2010

Fiscal Court Members:

John Coyle	County Judge/Executive
Jackie Brown	Magistrate
Jim Staples	Magistrate
Steve Barnett	Magistrate
Gerald Dotson	Magistrate
Geoffrey Reid	Magistrate
Ellen Fouser-Gormley	Magistrate
Bones Webber	Magistrate
Larry Craig	Magistrate

Other Elected Officials:

Alan George	County Attorney
Gary Gilkison	Jailer
Judie Woolums	County Clerk
Trisha Kittinger	Circuit Court Clerk
Wayne Wright	Sheriff
Gary Gillis	Property Valuation Administrator
Steve Ward	Coroner

Appointed Personnel:

Becky Wilson	County Treasurer
Becky Wilson	Occupational Tax Collector
Janet Baugh	Finance Officer



WOODFORD COUNTY FISCAL COURT

FAX: 859-873-0196

103 SOUTH MAIN
WOODFORD COUNTY COURTHOUSE
VERSAILLES, KENTUCKY 40383

PHONE: 859-873-5701

Management's Discussion and Analysis June 30, 2010

The financial management of Woodford County, Kentucky offers readers of Woodford County's financial statements this narrative overview and analysis of the financial activities of Woodford County for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with other information that we have furnished in our letter of transmission and the notes to the financial statements.

Financial Highlights

- Woodford County had total net assets of \$25,297,288 as of June 30, 2010. The fiscal court had \$2,489,285 in unrestricted net assets in its governmental activities as of June 30, 2010 with total net assets of \$22,279,953. In its business-type activities, cash and cash equivalents were \$11,743 with total net assets of \$17,335. Total debt principal as of June 30, 2010 was \$8,040,845 with \$698,845 due within one year.
- At the close of the current fiscal year, Woodford County's balance sheet reported a fund balance of \$2,489,658. Of this amount \$2,451,143 is available for spending at the government's discretion (unreserved fund balance).
- Woodford County's total indebtedness at the close of fiscal year June 30, 2010 was \$8,040,845 of which \$7,342,000 is long-term debt (due after 1 year) and \$698,845 is short-term debt (to be paid within 1 year).

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to Woodford County's basic financial statements. Woodford County's basic financial statements are comprised of three components: 1) government wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GASB 34 requires management to include certain comparison schedules when they are available. These schedules include prior and current comparisons of general revenues by major source and program expenses by function.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of Woodford County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of Woodford County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Woodford County is improving or deteriorating.

**Woodford County
Management's Discussion and Analysis
June 30, 2010
(Continued)**

Government-wide Financial Statements (Continued):

The *Statement of Activities* presents information showing how the government's net assets changed during the fiscal year. All changes in net assets are reported on a modified cash basis of accounting. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses and related assets and liabilities.

Under the county's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from a cash transaction, except for the recording of depreciation expenses on capital assets in the government-wide financial statements for all activities and in the fund financial statements for the proprietary fund financial statements.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as amounts billed for services provided, but not collected) and accounts payable (expenses for goods and services received but not paid) or compensated absences are not recorded.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Woodford County's governmental activities included general governmental, protection to persons and property, general health and sanitation, social services, recreation and culture, roads, bus services, debt services and capital projects. The county has one business-type activity – the operation of a jail canteen.

The government-wide financial statements include not only Woodford County itself (known as the primary government), but also legally separate entities, which have a significant operational or financial relationship with the county. Woodford County has one such entity, the Public Properties Corporation. It is known as a blended component unit.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Woodford County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Woodford County can be divided into three broad categories: *governmental funds, proprietary funds, and fiduciary funds*.

Governmental Funds

Governmental funds are used to account for essentially the same functions as *governmental activities* in the government-wide financial statements; governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements.

Woodford County
Management's Discussion and Analysis
June 30, 2010
(Continued)

Governmental Funds (Continued):

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Woodford County maintains seven individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, Jail Fund, Local Government Economic Development Fund, Public Properties Corporation Courthouse Annex Bond Fund, Public Properties Corporation Community Center Bond Fund, and the Public Properties Corporation Jail Bond Fund - Series 2003, all of which are considered major funds by the County. The Local Government Economic Assistance Fund, State Grant Fund, Federal Grant Fund, and the Disaster Emergency Fund are considered non-major funds and are presented in a combined form.

Woodford County adopts an annual appropriated budget for its major governmental funds, with the exception of the three Public Properties Corporation Bond Funds. A budgetary comparison schedule has been provided for the General, Road, Jail, and Local Government Economic Development Funds to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds provide the same type of information as the business-type activities column on the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Jail Canteen Fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Woodford County
Management's Discussion and Analysis
June 30, 2010
(Continued)

Government-Wide Financial Analysis

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position.

Table 1
Woodford County's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2010	2009	2010
Assets						
Current and other assets	\$ 2,154,842	\$ 2,489,658	\$ 20,802	\$ 11,743	\$ 2,175,644	\$ 2,501,401
Capital assets	31,313,602	30,831,140		5,592	31,313,602	30,836,732
Total Assets	33,468,444	33,320,798	20,802	17,335	33,489,246	33,338,133
Liabilities						
Current and other liabilities	693,386	698,845			693,386	698,845
Long-term liabilities	8,040,846	7,342,000			8,040,846	7,342,000
Total Liabilities	8,734,232	8,040,845			8,734,232	8,040,845
Net Assets						
Invested in capital assets, net of related debt	22,579,370	22,790,295		5,592	22,579,370	22,795,887
Restricted For:						
Debt Service	2,849	373			2,849	373
Encumbrances	61,423				61,423	0
Unrestricted	2,090,570	2,489,285	20,802	11,743	2,111,372	2,501,028
Total Net Assets	\$ 24,734,212	\$ 25,279,953	\$ 20,802	\$ 17,335	\$ 24,755,014	\$ 25,297,288

Woodford County
Management's Discussion and Analysis
June 30, 2010
(Continued)

Government-Wide Financial Analysis (Continued):

	Table 2		Percent Change
	Governmental Activities		
	2009	2010	
Revenues:			
General Revenue	\$ 8,546,190	\$ 7,854,099	-8%
Charges For Services	1,912,856	1,410,575	-26%
Operating Grants and Contributions	2,987,261	4,051,288	36%
Total Revenues	13,446,307	13,315,962	-1%
Expenditures:			
General Government	4,721,177	4,993,330	6%
Protection to Persons and Property	4,079,811	3,669,051	-10%
General Health and Sanitation	1,279,240	986,509	-23%
Social Services	136,575	65,875	-52%
Recreation and Culture	1,589,485	857,740	-46%
Roads	1,874,102	1,628,711	-13%
Bus Services	25,501	22,395	-12%
Debt Service	342,230	324,176	-5%
Capital Projects	39,964	223,467	459%
Total Expenditures	\$ 14,088,085	\$ 12,771,254	-9%

Changes in Net Assets

Governmental Activities - Woodford County's net assets increased by \$545,741 in fiscal year 2010. Key elements of this are as follows:

1. Current assets and cash increased by \$334,816.
2. Investment in capital assets, net of related debt increased by \$210,925.
3. Current and long-term liabilities decreased by \$693,387.
4. Revenues were \$13,315,962 as reflected in the Statement of Activities.
5. Expenditures totaled \$12,771,254 as reflected in the Statement of Activities.

Business-type Activities - Woodford County's net assets decreased by \$3,467 in fiscal year 2010. Key elements of this are as follows:

- Current assets and cash decreased by \$9,059.
- Investments in capital assets net of accumulated depreciation increased by \$5,592.

Woodford County
Management's Discussion and Analysis
June 30, 2010
(Continued)

Financial Analysis of the County's Funds

As noted earlier, Woodford County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds Overview - The focus of the Woodford County's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the June 30, 2010 fiscal year, the combined ending fund balance of the Woodford County's governmental funds was \$2,489,658. Approximately 98% (\$2,451,143) of this consists of unreserved fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. The remainder of fund balance (\$38,515) is reserved to indicate that it is not available for new spending because it is committed.

The County has seven major governmental funds. They are: 1) General Fund; 2) Road Fund; 3) Jail Fund; 4) Local Government Economic Development Fund; 5) Public Properties Corporation Courthouse Annex Bond Fund; 6) Public Properties Corporation Community Center Bond Fund; and 7) Public Properties Corporation Jail Bond Fund - Series 2003. There are four non-major funds. They are: 1) Local Government Economic Assistance Fund; 2) State Grant Fund; 3) Federal Grant Fund; and 4) Disaster Emergency Fund.

1. The General Fund is the chief operating fund of Woodford County. At the end of the June 30, 2010 fiscal year, unreserved fund balance of the General Fund was \$1,752,730 while total fund balance was \$1,756,443. The county received \$5,420,605 in Occupational tax revenues. This accounts for approximately 52% of the general fund revenue. \$1,488,485 was received from real and personal property taxes and accounts for approximately 14% of the county's general fund revenues. Various other taxes and service fees make up the remaining 30% of revenues.
2. The Road Fund is the fund related to county road and bridge construction and maintenance. The Road fund collected \$1,048,476 in revenue and received net transfers in of \$497,198 from the General Fund. The Road Fund had a prior year surplus carry over amount of \$126,649, for a total operating budget of \$1,687,063. There were expenses of \$1,145,883 leaving a year-end balance of \$526,440.
3. The Jail Fund is used to account for the operation of the County's detention program. The Jail Fund received \$737,188 in revenue generated from its operations and net transfers in of \$877,913 from the General Fund. The Jail Fund had a prior year carry over amount of \$11,691 for a total operating budget of \$1,626,792. There were expenses of \$1,606,492, leaving a year-end balance of \$20,300.
4. The Local Government Economic Development Fund is used to account for economic development projects. The Local Government Economic Development Fund received \$405,058 from intergovernmental revenue sources and net transfers in of \$90,657 from the general fund. The Local Government Economic Development Fund had a prior year carry over amount of \$34,306, for a total operating budget of \$530,021. There were expenses of \$510,021, leaving a year-end balance of \$20,000.
5. The Public Properties Corporation Courthouse Annex Bond Fund had a fund balance of \$284 as of June 30, 2010. The purpose of this fund is to account for debt service requirements of the Courthouse Annex Bonds for the Fiscal Court.

**Woodford County
Management's Discussion and Analysis
June 30, 2010
(Continued)**

Financial Analysis of the County's Funds (Continued)

Governmental Funds Overview (Continued):

6. The Public Properties Corporation Community Center Bond Fund had a \$41 fund balance as of June 30, 2010. The purpose of this fund is to account for debt service requirements of the Community Center Bonds for the Fiscal Court.
7. The Public Properties Corporation Jail Bond Fund - Series 2003 had a \$48 fund balance as of June 30, 2010. The purpose of this fund is to account for the debt service requirements of the Jail Bonds for the Fiscal Court.
8. The Local Government Economic Assistance Fund had a fund balance of \$150,307 as of June 30, 2010.
9. The State Grant Fund is used to account for state monies received. The county received \$61,182 in state funds for various ongoing projects. The State Grant Fund had a \$9,869 balance as of June 30, 2010.
10. The Federal Grant Fund is used to account for federal monies received. The county received \$7,000 in federal funds for ongoing projects and transfers in from the General Fund of \$8,000. There were expenses of \$15,000, leaving a fund balance of \$0.
11. The Disaster Emergency Fund had a fund balance of \$5,926 as of June 30, 2010.

Proprietary Funds Overview - The County's proprietary fund statements provide the same type of information found in the business-type activities column of the government-wide statements, but in more detail.

Woodford County has one enterprise fund, the Jail Canteen Fund. The Jail Canteen Fund had net assets of \$17,335 and a cash balance of \$11,743 of June 30, 2010.

General Fund Budgetary Highlights

Actual operating revenues were \$142,486 less than originally budgeted by Fiscal Court. Actual operating revenues were also \$165,481 less than final budget.

Actual operating expenditures were \$914,359 less than amount originally budgeted by Fiscal Court. Actual operating expenditures were \$1,853,919 less than final budget.

Capital Assets and Debt Administration

Capital Asset - Woodford County's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts to \$30,836,732 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings, other equipment, vehicles and equipment, and infrastructure.

Additional information on the County's capital assets can be found in Note 3 of this report.

Woodford County
Management's Discussion and Analysis
June 30, 2009
(Continued)

Capital Assets and Debt Administration (Continued)

Capital Assets (Continued)

Table 3
Woodford County's Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2010	2009	2010
Land and Land Improvements	\$ 1,860,984	\$ 1,860,984	\$	\$	\$ 1,860,984	\$ 1,860,984
Construction in Progress	250,323	597,105			250,323	597,105
Buildings	17,449,571	17,145,475			17,449,571	17,145,475
Other Equipment	419,485	575,441			419,485	575,441
Vehicles and Equipment	1,253,827	1,090,651		5,592	1,253,827	1,096,243
Infrastructure	10,079,412	9,561,484			10,079,412	9,561,484
Total Net Capital Assets	<u>\$ 31,313,602</u>	<u>\$ 30,831,140</u>	<u>\$</u>	<u>\$ 5,592</u>	<u>\$31,313,602</u>	<u>\$30,836,732</u>

Long-Term Debt - At the end of the 2010 fiscal year, Woodford County had total long-term debt principal outstanding of \$8,040,845. The amount of this debt due within the next year is \$698,845 and \$7,342,000 is due in subsequent years. This debt is described in Notes 4 and 5 of the notes to the financial statements.

OTHER MATTERS

The following factors will have a significant effect on Woodford County's financial position or results of operations and were taken into consideration in developing the 2010 fiscal year budget:

- The county is starting to experience manufacturing layoffs, which could affect the Occupational Tax Collections.

Requests For Information

This financial report is designed to provide a general overview of Woodford County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Woodford County Treasurer, 103 South Main Street, Room 201, Versailles, KY 40383.

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WOODFORD COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2010

WOODFORD COUNTY
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS

June 30, 2010

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Totals
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 2,489,658	\$ 10,693	\$ 2,500,351
Other		1,050	1,050
Total Current Assets	2,489,658	11,743	2,501,401
Noncurrent Assets:			
Capital Assets - Net of Accumulated Depreciation			
Construction In Progress	597,105		597,105
Land and Land Improvements	1,860,984		1,860,984
Buildings	17,145,475		17,145,475
Other Equipment	575,441	5,592	581,033
Vehicles and Equipment	1,090,651		1,090,651
Infrastructure	9,561,484		9,561,484
Total Noncurrent Assets	30,831,140	5,592	30,836,732
Total Assets	33,320,798	17,335	33,338,133
LIABILITIES			
Current Liabilities:			
Financing Obligations	143,845		143,845
General Obligation Bonds	440,000		440,000
Revenue Bonds	115,000		115,000
Total Current Liabilities	698,845		698,845
Noncurrent Liabilities:			
Financing Obligations	252,000		252,000
General Obligation Bonds	4,095,000		4,095,000
Revenue Bonds	2,995,000		2,995,000
Total Noncurrent Liabilities	7,342,000		7,342,000
Total Liabilities	8,040,845		8,040,845
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	22,790,295	5,592	22,795,887
Restricted For:			
Debt Service	373		373
Unrestricted	2,489,285	11,743	2,501,028
Total Net Assets	\$ 25,279,953	\$ 17,335	\$ 25,297,288

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

WOODFORD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

Functions/Programs	Expenses	<u>Program Revenues Received</u>	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
Governmental Activities:			
General Government	\$ 4,993,330	\$ 53,707	\$ 1,822,125
Protection to Persons and Property	3,669,051	1,085,898	444,574
General Health and Sanitation	986,509	265,541	427,357
Social Services	65,875		
Recreation and Culture	857,740	1,034	238,614
Roads	1,628,711	4,395	1,101,762
Bus Services	22,395		16,856
Interest on Long-Term Debt	324,176		
Capital Projects	223,467		
Total Governmental Activities	<u>12,771,254</u>	<u>1,410,575</u>	<u>4,051,288</u>
Business-type Activities:			
Jail Canteen	56,459	52,992	
Total Business-type Activities	<u>56,459</u>	<u>52,992</u>	
Total Primary Government	<u>\$ 12,827,713</u>	<u>\$ 1,463,567</u>	<u>\$ 4,051,288</u>

General Revenues:

Taxes:

Real Property Taxes

Personal Property Taxes

Other Taxes

Miscellaneous Revenues

Total General Revenues

Change in Net Assets

Net Assets - Beginning (Restated)

Net Assets - Ending

The accompanying notes are an integral part of the financial statements.

WOODFORD COUNTY
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended June 30, 2010
(Continued)

Net (Expenses) Revenues and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
\$ (3,117,498)	\$	\$ (3,117,498)
(2,138,579)		(2,138,579)
(293,611)		(293,611)
(65,875)		(65,875)
(618,092)		(618,092)
(522,554)		(522,554)
(5,539)		(5,539)
(324,176)		(324,176)
(223,467)		(223,467)
(7,309,391)		(7,309,391)
	(3,467)	(3,467)
	(3,467)	(3,467)
(7,309,391)	(3,467)	(7,312,858)
1,339,941		1,339,941
261,013		261,013
5,630,930		5,630,930
622,215		622,215
7,854,099		7,854,099
544,708	(3,467)	541,241
24,735,245	20,802	24,756,047
\$ 25,279,953	\$ 17,335	\$ 25,297,288

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2010

WOODFORD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

June 30, 2010

	General Fund	Road Fund	Jail Fund	Local Government Economic Development Fund	Public Properties Corporation Courthouse Annex Bond Fund
ASSETS					
Cash and Cash Equivalents	\$ 1,756,443	\$ 526,440	\$ 20,300	\$ 20,000	\$ 284
Total Assets	<u>1,756,443</u>	<u>526,440</u>	<u>20,300</u>	<u>20,000</u>	<u>284</u>
FUND BALANCES					
Reserved for:					
Encumbrances	3,713	14,502	20,300		
Unreserved:					
General Fund	1,752,730				
Special Revenue Funds		511,938		20,000	
Debt Service Fund					284
Total Fund Balances	<u>\$ 1,756,443</u>	<u>\$ 526,440</u>	<u>\$ 20,300</u>	<u>\$ 20,000</u>	<u>\$ 284</u>

The accompanying notes are an integral part of the financial statements.

WOODFORD COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
June 30, 2010
(Continued)

Public Properties Corporation Community Center Bond Fund	Public Properties Corporation Jail Bond Fund 2003 Series	Non- Major Funds	Total Governmental Funds
\$ 41	\$ 48	\$ 166,102	\$ 2,489,658
41	48	166,102	2,489,658
			38,515
			1,752,730
		166,102	698,040
41	48		373
\$ 41	\$ 48	\$ 166,102	\$ 2,489,658

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:

Total Fund Balances	\$ 2,489,658
Amounts Reported For Governmental Activities In The Statement Of Net Assets Are Different Because:	
Capital Assets Used in Governmental Activities Are Not Financial Resources And Therefore Are Not Reported in the Funds.	55,828,851
Accumulated Depreciation	(24,997,711)
Long-term Debt Is Not Due and Payable in the Current Period and, Therefore, Is Not Reported in the Funds.	
Financing Obligations	(395,845)
General Obligation Bonds	(4,535,000)
Revenue Bonds	(3,110,000)
Net Assets Of Governmental Activities	<u>\$ 25,279,953</u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

	General Fund	Road Fund	Jail Fund	Local Government Economic Development Fund	Public Properties Corporation Courthouse Annex Bond Fund
REVENUES					
Taxes	\$ 7,220,735	\$	\$	\$	\$
Licenses and Permits	50,454				
Intergovernmental	1,879,976	1,031,644	667,666	405,058	216,228
Charges for Services	728,810	4,395	38,355		
Miscellaneous	556,391	12,437	31,167		
Interest	36,318				2
Total Revenues	<u>10,472,684</u>	<u>1,048,476</u>	<u>737,188</u>	<u>405,058</u>	<u>216,230</u>
EXPENDITURES					
General Government	2,518,907				
Protection to Persons and Property	2,245,895		1,288,805		
General Health and Sanitation	922,573			485,127	
Social Services	61,549				
Recreation and Culture	602,237			19,788	
Roads		1,008,167			
Debt Service	183,349				236,574
Bus Services	22,395				
Capital Projects	78,159		144,660		
Administration	2,041,661	137,716	173,027	5,106	
Total Expenditures	<u>8,676,725</u>	<u>1,145,883</u>	<u>1,606,492</u>	<u>510,021</u>	<u>236,574</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>1,795,959</u>	<u>(97,407)</u>	<u>(869,304)</u>	<u>(104,963)</u>	<u>(20,344)</u>
Other Financing Sources (Uses)					
Transfers From Other Funds	278,749	511,938	945,000	225,141	20,346
Transfers To Other Funds	<u>(2,170,078)</u>	<u>(14,740)</u>	<u>(67,087)</u>	<u>(134,484)</u>	
Total Other Financing Sources (Uses)	<u>(1,891,329)</u>	<u>497,198</u>	<u>877,913</u>	<u>90,657</u>	<u>20,346</u>
Net Change in Fund Balances	(95,370)	399,791	8,609	(14,306)	2
Fund Balances - Beginning (Restated)	1,851,813	126,649	11,691	34,306	282
Fund Balances - Ending	<u>\$ 1,756,443</u>	<u>\$ 526,440</u>	<u>\$ 20,300</u>	<u>\$ 20,000</u>	<u>\$ 284</u>

The accompanying notes are an integral part of the financial statements.

WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
For The Year Ended June 30, 2010
(Continued)

Public Properties Corporation Community Center Bond Fund	Public Properties Corporation Jail Bond Fund 2003 Series	Non- Major Funds	Total Governmental Funds
\$	\$	\$	\$ 7,220,735
			50,454
199,727		198,076	4,598,375
		38,519	810,079
			599,995
5			36,325
<u>199,732</u>		<u>236,595</u>	<u>13,315,963</u>
			2,518,907
		133,851	3,668,551
		26,355	1,434,055
		4,326	65,875
			622,025
		21,945	1,030,112
399,454	198,185		1,017,562
			22,395
		648	223,467
2,483		19,237	2,379,230
<u>401,937</u>	<u>198,185</u>	<u>206,362</u>	<u>12,982,179</u>
<u>(202,205)</u>	<u>(198,185)</u>	<u>30,233</u>	<u>333,784</u>
199,727	198,185	13,000	2,392,086
		(5,697)	(2,392,086)
<u>199,727</u>	<u>198,185</u>	<u>7,303</u>	
(2,478)		37,536	333,784
2,519	48	128,566	2,155,874
<u>\$ 41</u>	<u>\$ 48</u>	<u>\$ 166,102</u>	<u>\$ 2,489,658</u>

The accompanying notes are an integral part of the financial statements.

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**WOODFORD COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**

For The Year Ended June 30, 2010

WOODFORD COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds	\$ 333,784
--	------------

Amounts reported for governmental activities in the Statement of Activities are different because Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is located over their estimated useful lives and reported as depreciation expense.

Capital Outlay	1,161,922
Depreciation Expense	(1,357,803)
Assets Disposed Of , Net Book Value.	(286,581)

The issuance of long-term debt (e.g. bonds, financing obligations) provides current financial resources to governmental funds, while lease and bond principal payments are expensed in the Government Funds as a use of current financial resources. These transactions, however, have no effect on net assets.

Financing Obligations Principal Payments	163,386
Bond Principal Payments	<u>530,000</u>

Change in Net Assets of Governmental Activities	<u><u>\$ 544,708</u></u>
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WOODFORD COUNTY
STATEMENT OF FUND NET ASSETS - PROPRIETARY FUND - MODIFIED CASH BASIS

June 30, 2010

WOODFORD COUNTY
STATEMENT OF FUND NET ASSETS - PROPRIETARY FUND - MODIFIED CASH BASIS

June 30, 2010

	Business-Type Activities - Enterprise Fund	Jail Canteen Fund
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 10,693	
Inventory	<u>1,050</u>	
Total Current Assets	<u>11,743</u>	
Noncurrent Assets:		
Capital Assets:		
Equipment	6,990	
Less: Accumulated Depreciation	<u>(1,398)</u>	
Total Noncurrent Assets	<u>5,592</u>	
Total Assets	<u>17,335</u>	
Net Assets		
Invested in Capital Assets,		
Net of Related Debt	5,592	
Unrestricted	<u>11,743</u>	
Total Net Assets	<u>\$ 17,335</u>	

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

WOODFORD COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund
	Jail Canteen Fund
Operating Revenues	
Canteen Receipts	\$ 52,992
Total Operating Revenues	<u>52,992</u>
Operating Expenses	
Cost of Sales	42,145
Educational and Recreational	6,887
Depreciation Expense	1,398
Personnel Costs	<u>6,029</u>
Total Operating Expenses	<u>56,459</u>
Operating Income (Loss)	<u>(3,467)</u>
Change In Net Assets	(3,467)
Total Net Assets - Beginning	<u>20,802</u>
Total Net Assets - Ending	<u><u>\$ 17,335</u></u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

WOODFORD COUNTY
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - MODIFIED CASH BASIS

For The Year Ended June 30, 2010

	Business-Type Activities - Enterprise Fund
	Jail Canteen Fund
Cash Flows From Operating Activities	
Receipts From Customers	\$ 52,992
Payments to Suppliers	(49,032)
Payments to Employers	(6,029)
Net Cash Provided By Operating Activities	<u>(2,069)</u>
Cash Flows From Capital and Related Financing Activities	
Capital Assets Purchased	(6,990)
Net Cash (Used) By Capital and Related Financing Activities	<u>(6,990)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,059)
Cash and Cash Equivalents - July 1, 2009	<u>20,802</u>
Cash and Cash Equivalents - June 30, 2010	<u><u>\$ 11,743</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income (Loss)	\$ (3,467)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:	
Depreciation Expense	<u>1,398</u>
Net Cash Provided (Used) By Operating Activities	<u><u>\$ (2,069)</u></u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS

June 30, 2010

WOODFORD COUNTY
STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS

June 30, 2010

	<u>Agency Fund</u>
	Jail Canteen Inmate Account
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 17,328
Total Assets	<u>17,328</u>
Liabilities	
Amounts Held In Custody For Others	<u>17,328</u>
Total Liabilities	<u>17,328</u>
Net Assets	<u> </u>
Total Net Assets	<u><u>\$ 0</u></u>

The accompanying notes are an integral part of the financial statements.

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TO THE FINANCIAL STATEMENTS**

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WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The county presents its' government-wide and fund financial statements in accordance with a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received and expenditures when paid. Notes receivable are recognized on the Statement of Net Assets, but notes receivable are not included and recognized on the Balance Sheet - Governmental Funds. Property tax receivables, accounts payable, compensated absences, and donated assets are not reflected in the financial statements.

Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance (Reserved for Encumbrances).

The State Local Finance Officer does not require the county to report capital assets and infrastructure; however the value of these assets is included in the Statement of Net Assets and the corresponding depreciation expense is included on the Statement of Activities.

B. Reporting Entity

The financial statements of Woodford County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14 and GASB 39, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Consequently, the reporting entity includes organizations that are legally separate from the primary government. Legally separate organizations are reported as component units if either the county is financially accountable or the organization's exclusion would cause the county's financial statements to be misleading or incomplete. Component units may be blended or discretely presented. Blended component units either provide their services exclusively or almost entirely to the primary government, or their governing bodies are substantively the same as the primary government. All other component units are discretely presented. The County has no discretely presented component units.

Blended Component Units

The following legally separate organization provides its services exclusively to the primary government, and the fiscal court is able to impose its will on this organization. This organization's balances and transactions are reported as though it is part of the county's primary government using the blending method.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (Continued)

Blended Component Units (Continued)

Woodford County Public Properties Corporation

The Public Properties Corporation Courthouse Annex Bond Fund, Public Properties Corporation Community Center Bond Fund and the Public Properties Corporation Jail Bond Fund are included as part of the Woodford County Public Properties Corporation. This component unit cannot be sued in its own name without recourse to the Woodford County Fiscal Court, which appoints a voting majority, consisting of the fiscal court members. The fiscal court is able to impose its will on the Corporation. The Corporation is created solely for the benefit of the fiscal court per KRS 58.180 to act as the agent in the acquisition and financing of any public project. The fiscal court has access to the Corporation's resources, is legally obligated to finance the debts of or provide financial support to the Corporation. The Corporation is financially accountable to the fiscal court.

C. Woodford County Elected Officials

Kentucky law provides for election of the officials below from the geographic area constituting Woodford County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statements of Woodford County, Kentucky.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

D. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its non-fiduciary component units. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support. Business-type revenues come mostly from fees charged to external parties for goods or services. Fiduciary funds are not included in these financial statements due to the unavailability of fiduciary funds to aid in the support of government programs.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

The statement of net assets presents the reporting entity's non-fiduciary assets and liabilities, the difference between the two being reported as net assets. Net assets are reported in three categories: 1) invested in capital assets, net of related debt - consisting of capital assets, net of accumulated depreciation and reduced by outstanding balances for debt related to the acquisition, construction, or improvement of those assets; 2) restricted net assets - resulting from constraints placed on net assets by creditors, grantors, contributors, and other external parties, including those constraints imposed by law through constitutional provisions or enabling legislation; and 3) unrestricted net assets - those assets that do not meet the definition of restricted net assets or invested in capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; 2) operating grants and contributions; and 3) capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources such as taxes and unrestricted state funds are reported as general revenues.

Generally and except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1, following the assessment, and subject to lien and sale February 1, following the delinquency date.

Funds are characterized as either major or non-major. Major funds are those whose assets, liabilities, revenues, or expenditures/expenses are at least ten percent of the corresponding total (assets, liabilities, etc.) for all funds or type (governmental or proprietary) and whose total assets, liabilities, revenues, or expenditures/expenses are at least five percent of the corresponding total for all governmental and enterprise funds combined. The fiscal court may also designate any fund as major.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major enterprise funds are reported as separate columns in the financial statements.

Governmental Funds

The primary government reports the following major governmental funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary source of revenue for this fund is state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Governmental Funds (Continued)

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of revenue for this fund are reimbursements from the state and federal government, payments from other counties for housing prisoners, and transfers from the General Fund. The Governor's Office for Local Development requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Local Government Economic Development Fund - The purpose of this fund is to account for economic development projects. The Department for Local Government requires the fiscal court to maintain these receipts and expenditures separately from the General Fund.

Public Properties Corporation Courthouse Annex Bond Fund - The purpose of this fund is to account for debt service requirements of the Courthouse Annex bonds for the fiscal court. The Department for Local Government does not require the fiscal court to report or budget these funds.

Public Properties Corporation Community Center Bond Fund - The purpose of this fund is to account for debt service requirements of the Community Center bonds for the fiscal court. The Department for Local Government does not require the fiscal court to report or budget these funds.

Public Properties Corporation Jail Bond Fund Series 2003 - The purpose of this fund is to account for debt service requirements of the Jail bonds for the fiscal court. The Department for Local Government does not require the fiscal court to report or budget these funds.

The primary government also has the following non-major funds: Local Government Economic Assistance Fund (LGEA), State Grant Fund, Federal Grant, and Disaster Emergency Fund.

Special Revenue Funds:

The Road Fund, Jail Fund, Local Government Economic Development Fund, Local Government Economic Assistance Fund (LGEA), State Grant Fund, Federal Grant, and Disaster Emergency Fund are presented as special revenue funds. Special revenue funds are to account for the proceeds of specific revenue sources and expenditures that are legally restricted for specific purposes.

Debt Service Funds:

The Public Properties Corporation Funds(s) account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Government-wide and Fund Financial Statements (Continued)

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating revenues of the county's enterprise fund are charges to customers for sales in the Jail Canteen Fund. Operating expenses for the enterprise fund include the cost of sales and services and administrative expenses. The government has elected not to adopt Financial Accounting Standards Board (FASB) Statements or Interpretations issued after November 30, 1989, unless the Government Accounting Standards Board (GASB) specifically adopts such FASB Statements or Interpretations.

Jail Canteen Fund - The canteen operations are authorized pursuant to KRS 441.135(1), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 441.135(2) requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen Fund

Fiduciary Funds

Fiduciary funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. The county's agency fund is used to account for monies held by the county in the Jail Canteen Inmate Account for custodial purposes only. Unlike other funds, the agency fund reports assets and liabilities only; therefore, it has no measurement focus.

E. Deposits

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition.

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported in the applicable governmental or business-type activities of the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

F. Capital Assets (Continued)

Cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Land and Construction In Progress are not depreciated. Interest incurred during construction is not capitalized. Capital assets and infrastructure are depreciated using the straight-line method of depreciation over the estimated useful life of the asset.

	Capitalization Threshold	Useful Life (Years)
Land Improvements	all	10 to 60
Buildings	\$ 25,000	10 to 75
Building Improvements	\$ 25,000	3 to 25
Machinery and Equipment	\$ 2,500	3 to 25
Vehicles	\$ 2,500	3 to 25
Infrastructure	\$ 20,000	10 to 50

G. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable financial statements. The principal amount of bonds, notes and financing obligations are reported.

In the fund financial statements, governmental funds recognize bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as expenditures. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt proceeds are reported as other financing sources.

H. Fund Equity

In the fund financial statements, the difference between the assets and liabilities of governmental funds is reported as fund balance. Fund balance is divided into reserved and unreserved components, with unreserved considered available for new spending. Unreserved fund balances may be divided into designated and undesignated portions. Designations represent fiscal court's intended use of the resources and should reflect actual plans approved by the fiscal court.

Governmental funds report reservations of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose, long-term receivables, and encumbrances.

"Reserved for Encumbrances" are purchase orders that will be fulfilled in a subsequent fiscal period. Although the purchase order or contract creates a legal commitment, the fiscal court incurs no liability until performance has occurred on the part of the party with whom the fiscal court has entered into the arrangement. When a government intends to honor outstanding commitments in subsequent periods, such amounts are encumbered. Encumbrances lapse at year-end and are not reflected on the Statement of Net Assets and Statement of Activities; however, encumbrances are reflected on the Balance Sheet - Governmental Funds as part of the fund balance.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

I. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. Formal budgets are not adopted for the Public Properties Corporation, The Jail Canteen Fund, and the Jail Canteen Inmate Account.

The State Local Finance Officer does not require the Public Properties Corporation Fund to be budgeted. Bond indentures and other relevant contractual provisions require specific annual payments to these funds and these transfers are budgeted in the governmental funds.

The State Local Finance Officer does not require the Jail Canteen Fund and the Jail Canteen Inmate Account to be budgeted because the fiscal court does not approve the expenses from these funds.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

J. Related Organizations, Joint Venture, and Jointly Governed Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of the Woodford County Fiscal Court:

South Woodford County Water District	Woodford County Health District
Northeast Woodford County Water District	Woodford County Library District
Woodford County Tourism Commission	Woodford County Conservation District

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture. Based upon these criteria, the following are considered joint ventures of the Woodford County Fiscal Court:

Versailles-Woodford County Parks and Recreation Department
 Versailles-Woodford County Economic Development Authority
 Versailles, Midway and Woodford County Planning and Zoning Commission

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 2. Deposits

The primary government and component unit maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposit may not be returned to it. The government does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of June 30, 2010, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Reporting Entity			
	Beginning Balance	Increases	Decreases	Ending Balance
Primary Government:				
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land and Land Improvements	\$ 1,860,984	\$	\$	\$ 1,860,984
Construction In Progress	250,323	633,363	(286,581)	597,105
Total Capital Assets Not Being Depreciated	2,111,307	633,363	(286,581)	2,458,089
Capital Assets, Being Depreciated:				
Buildings	24,060,299	125,705		24,186,004
Other Equipment	725,014	268,724		993,738
Vehicles and Equipment	3,082,024	27,945		3,109,969
Infrastructure	24,974,866	106,185		25,081,051
Total Capital Assets Being Depreciated	52,842,203	528,559		53,370,762
Less Accumulated Depreciation For:				
Buildings	(6,610,728)	(429,801)		(7,040,529)
Other Equipment	(305,529)	(112,768)		(418,297)
Vehicles and Equipment	(1,828,197)	(191,121)		(2,019,318)
Infrastructure	(14,895,454)	(624,113)		(15,519,567)
Total Accumulated Depreciation	(23,639,908)	(1,357,803)		(24,997,711)
Total Capital Assets, Being Depreciated, Net	29,202,295	(829,244)		28,373,051
Governmental Activities Capital Assets, Net	<u>\$ 31,313,602</u>	<u>\$ (195,881)</u>	<u>\$ (286,581)</u>	<u>\$ 30,831,140</u>
<u>Business-Type Activities:</u>				
Capital Assets Being Depreciated				
Equipment	\$	\$ 6,990	\$	\$ 6,990
Total Capital Assets Being Depreciated		6,990		6,990
Less Accumulated Depreciation For:				
Equipment		(1,398)		(1,398)
Total Accumulated Depreciation		(1,398)		(1,398)
Total Capital Assets, Being Depreciated, Net				
Business-Type Activities Capital Assets, Net	<u>\$ 0</u>	<u>\$ 5,592</u>	<u>\$ 0</u>	<u>\$ 5,592</u>

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 3. Capital Assets (Continued)

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:

General Government	\$ 176,696
Protection to Persons and Property	177,506
General Health and Sanitation	37,581
Recreation and Culture	239,291
Roads, Including Depreciation of General Infrastructure Assets	<u>726,729</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$1,357,803</u></u>

Business-Type Activities:

Jail Canteen	<u>\$ 1,398</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 1,398</u></u>

Note 4. Long-term Debt

A. First Mortgage Revenue Refunding Bonds - Series 2008

On January 1, 2007, the Woodford County Public Properties Corporation issued \$3,290,000 in First Mortgage Revenue Refunding Bonds for the purpose of the defeasance of the outstanding Lease Revenue Bonds, Series 1997, along with paying the associated costs of issuing the bonds. Of this amount \$3,187,300 was placed with an escrow agent in order to pay the 1997 bonds upon eligible maturity (beginning on or after February 1, 2011). Principal payments are due February 1, and interest, which varies from 3.75% to 4.125% is payable semiannually on February 1 and August 1. The outstanding principal balance as of June 30, 2010 was \$3,110,000.

Fiscal Year Ended		
June 30	Principal	Interest
2011	\$ 115,000	\$ 122,449
2012	115,000	118,136
2013	120,000	113,824
2014	125,000	109,324
2015	135,000	104,636
2016-2020	745,000	443,274
2021-2025	900,000	285,894
2026-2028	<u>855,000</u>	<u>89,881</u>
Totals	<u><u>\$ 3,110,000</u></u>	<u><u>\$ 1,387,418</u></u>

Also on January 1, 2007, Woodford County entered into a sublease agreement with the Administrative Office of the Courts, which states that the Administrative Office of the Courts agrees to pay 91.95% of the debt service requirements. The Administrative Office of the Courts has an exclusive option to renew this agreement from biennium (July1-June 30) for periods of two years at a time until February 1, 2029.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 4. Long-term Debt (Continued)

B. General Obligation Bonds, Series 2000

On February 1, 2000, the Woodford County Public Properties Corporation issued \$5,490,000 in non-voted general obligation bonds to construct a community center. Principal payments are due February 1, and interest, which varies from 5.375% to 5.45%, is payable semiannually on August 1 and February 1. The county made the scheduled payment on February 1, 2008, consisting of a principal payment of \$200,000 and interest of \$108,251, leaving an outstanding principal balance of \$3,795,000. On March 1, 2007, the majority of these bonds (those with maturity date of 2011 and after) were defeased with General Obligation Refunding Bonds, Series 2008. As of June 30, 2010 the outstanding principal balance was \$0.

C. General Obligation Refunding Bonds - Series 2007

On March 1, 2007, the Woodford County Public Properties Corporation issued \$3,420,000 General Obligation Refunding Bonds for the purpose of the defeasance of the majority of the outstanding General Obligation Bonds, Series 2000 (those with a maturity date of 2011 and after) along with paying the associated costs of issuing the bonds. Of this amount, \$3,339,935 was placed with an escrow agent in order to pay off eligible bonds upon maturity. Principal payments are due February 1, and interest, at a fixed rate of 3.65%, is payable semiannually on February 1 and August 1. This amount has been determined to meet all bond and interest requirements maturing on or after February 1, 2011. As of June 30, 2010, the outstanding principal balance is \$3,310,000.

Fiscal Year Ended		
	June 30	Interest
2011	\$ 280,000	\$ 120,815
2012	295,000	110,595
2013	300,000	99,828
2014	310,000	88,878
2015	320,000	77,563
2016-2020	1,805,000	202,759
Totals	<u>\$ 3,310,000</u>	<u>\$ 700,438</u>

D. General Obligation Bonds - Series 2003

On October 1, 2003, the Woodford County Public Properties Corporation issued \$2,115,000 General Obligation Refunding Bonds for the purpose of the current refunding of all of the outstanding Woodford County Public Properties Corporation Project Revenue Refunding Bonds, 1993 Series A, along with paying the associated costs of issuing the bonds. Principal payments are due November 1, and interest is payable semiannually on May 1 and November 1. The outstanding principal balance as of June 30, 2010 was \$1,225,000.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 4. Long-term Debt (Continued)

D. General Obligation Bonds - Series 2003 (Continued)

Fiscal Year Ended June 30	Principal	Interest
2011	\$ 160,000	\$ 38,968
2012	170,000	34,053
2013	175,000	28,530
2014	175,000	22,624
2015	185,000	16,368
2016-2017	360,000	12,857
Totals	<u>\$ 1,225,000</u>	<u>\$ 153,400</u>

E. Financing Obligation – Conservation District Building

On December 8, 1994, Woodford County entered into a \$387,000 financing obligation agreement with Kentucky Association of Counties Leasing Trust Program for the construction of a Conservation District Building, with repayment to be made over a twenty-five year period. Principal payments are due January 20, and interest payments are due monthly. As of December 1, 2004, this agreement converted from a fixed rate of 5.95% to a variable rate. The outstanding principal balance as of June 30, 2010 was \$180,000.

Fiscal Year Ended June 30	Principal	Interest
2011	\$ 20,000	\$ 8,545
2012	20,000	7,557
2013	20,000	6,559
2014	20,000	5,563
2015	20,000	4,565
2016-2019	80,000	8,316
Totals	<u>\$ 180,000</u>	<u>\$ 41,105</u>

F. Financing Obligation – Jail Construction

On March 2, 2005, Woodford County entered into a \$498,845 financing obligation agreement with Kentucky Association of Counties Leasing Trust Program for the construction of a Jail, with repayment to be made over a sixty-four (64) month period. Principal payments are due annually on July 20, and interest, which is based on a variable rate, is due monthly. The outstanding principal balance as of June 30, 2010 was \$93,845.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 4. Long-term Debt (Continued)

F. Financing Obligation – Jail Construction (Continued)

Fiscal Year Ended June 30	Principal	Interest
2011	\$ 93,845	\$ 363
Totals	\$ 93,845	\$ 363

G. Financing Obligation – Ambulance

On July 13, 2004, Woodford County entered into a \$133,674 financing obligation agreement with Kentucky Association of Counties Leasing Trust Program for the purchase of an ambulance, with repayment to be made over a fifty-three (53) month period. Principal payments are due annually on July 20, and interest, which is set at a fixed rate of 3.17%, is due monthly. The outstanding principal balance as of June 30, 2010 was \$0.

H. Financing Obligation – Jail Renovation

On June 25, 2009, Woodford County entered into a \$152,000 financing obligation with Kentucky Association of Counties Leasing Trust Program for the renovation of jail showers, with repayment to be made over a sixty (60) month period. Principal payments are due annually on June 20, and interest, which is based on a variable rate, is due monthly. The outstanding principal balance as of June 30, 2010 was \$122,000.

Fiscal Year Ended June 30	Principal	Interest
2011	\$ 30,000	\$ 4,825
2012	30,000	3,709
2013	30,000	2,584
2014	32,000	1,462
Totals	\$ 122,000	\$ 12,580

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 4. Long-term Debt (Continued)

I. Changes In Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government:					
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 4,955,000	\$	\$ 420,000	\$ 4,535,000	\$ 440,000
Revenue Bonds	3,220,000		110,000	3,110,000	115,000
Financing Obligations	559,231		163,386	395,845	143,845
Governmental Activities					
Long-term Liabilities	<u>\$ 8,734,231</u>	<u>\$ 0</u>	<u>\$ 693,386</u>	<u>\$ 8,040,845</u>	<u>\$ 698,845</u>

Note 5. Commitments and Contingencies

A. Woodford County Economic Development Authority

The Versailles - Woodford County Economic Development Authority had a loan of \$6,300,000 dated December 11, 2001 of which only \$5,651,161 had been drawn down through June 30, 2004. The loan was guaranteed by Woodford County and the City of Midway and secured by real estate. As agreed, the fiscal court had been paying half the interest on the loan. On December 1, 2004, the Woodford County Economic Development Authority issued First Mortgage Revenue Bonds, Series 2004, in the amount of \$6,247,350. The proceeds from this issuance were used to pay off the original loan. These bonds constitute special obligations of the Economic Development Authority and the principal and interest and any premium on the bonds are payable solely from the revenues and other moneys pledged and assigned by the mortgage to secure that payment. The bonds do not represent or constitute an indebtedness of the Governmental Units or a pledge of the faith and credit or the taxing power of the governmental units. The fiscal court has agreed to pay half the interest on the bonds, as payments are due. They expect to be reimbursed when the industrial park is sold.

B. Woodford County Parks and Recreation

Woodford County Parks and Recreation obtained a lease in the amount of \$23,733 on March 17, 2009 for three commercial grade mowers. The lease was between KACo and the Fiscal Court. Woodford County Parks and Recreation receives and pays all associated lease payments, however, if Woodford County Parks and Recreation were to default on this lease, the Fiscal Court would be responsible for the repayment. As of June 30, 2010, the outstanding principal balance was \$13,958.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 6. Employee Retirement System

The fiscal court has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 16.16 percent.

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 9 percent of their salary to be allocated as follows: 8% will go to the member's account and 1% will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 32.97 percent.

The county's contribution for FY 2008 was \$886,136, FY 2009 was \$748,030 and FY 2010 was \$852,992.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is 65, with a minimum of 60 months service credit.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008 aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 7. Deferred Compensation

On February 24, 2000, the Woodford County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by The Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees and employees of local political subdivisions that have elected to participate.

WOODFORD COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2010
(Continued)

Note 7. Deferred Compensation (Continued)

These deferred compensation plans permit all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing Kentucky Public Employees' Deferred Compensation Authority at 101 Sea Hero Road, Suite 110, Frankfort, KY 40601-8862, or by telephone at (502) 573-792.

Note 8. Insurance

For the fiscal year ended June 30, 2010, Woodford County was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 9. Prior Period Adjustment

The beginning balance of governmental activities has been restated by \$1,033 to reflect adjustments made to beginning cash balances due to voiding of prior year outstanding checks.

Note 10. Estimated Infrastructure Historical Cost

Historical cost of infrastructure placed in service prior to the fiscal year ended June 30, 2004 (year of GASB 34 implementation) is an estimate. For those assets, the primary government estimated the year infrastructure was built by determining when a major reconstruction had been done on infrastructure. This estimate was used to calculate the infrastructure historical cost by determining current year construction cost and deflating it back to the estimated year of construction or reconstruction. Estimated infrastructure historical cost includes infrastructure placed in service from fiscal year 1984 through June 30, 2003. All infrastructure assets placed in service during the fiscal year ended June 30, 2004 and thereafter are recorded at actual historical cost.

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2010

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis

For The Year Ended June 30, 2010

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,615,800	\$ 7,615,800	\$ 7,220,735	\$ (395,065)
Licenses and Permits	43,400	43,400	50,454	7,054
Intergovernmental Revenue	1,723,060	1,723,060	1,879,976	156,916
Charges for Services	731,500	731,500	728,810	(2,690)
Miscellaneous	456,410	479,405	556,391	76,986
Interest	45,000	45,000	36,318	(8,682)
Total Revenues	10,615,170	10,638,165	10,472,684	(165,481)
EXPENDITURES				
General Government	2,581,641	2,702,505	2,518,907	183,598
Protection to Persons and Property	2,301,156	2,343,313	2,245,895	97,418
General Health and Sanitation	965,395	979,801	922,573	57,228
Social Services	58,500	62,549	61,549	1,000
Recreation and Culture	584,600	611,138	602,237	8,901
Bus Services	20,501	22,395	22,395	
Debt Service	167,023	197,383	183,349	14,034
Capital Projects	20,000	78,159	78,159	
Administration	2,892,268	3,533,401	2,041,661	1,491,740
Total Expenditures	9,591,084	10,530,644	8,676,725	1,853,919
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	1,024,086	107,521	1,795,959	1,688,438
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds	(1,780,086)	(1,780,086)	(2,170,078)	(389,992)
Transfers From Other Funds			278,749	278,749
Total Other Financing Sources (Uses)	(1,780,086)	(1,780,086)	(1,891,329)	(111,243)
Net Changes in Fund Balance	(756,000)	(1,672,565)	(95,370)	1,577,195
Fund Balance - Beginning (Restated)	756,000	1,851,813	1,851,813	
Fund Balance - Ending	\$ 0	\$ 179,248	\$ 1,756,443	\$ 1,577,195

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2010
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 1,127,970	\$ 1,127,970	\$ 1,031,644	\$ (96,326)
Charges for Services	3,000	3,000	4,395	1,395
Miscellaneous	500	500	12,437	11,937
Total Revenues	<u>1,131,470</u>	<u>1,131,470</u>	<u>1,048,476</u>	<u>(82,994)</u>
EXPENDITURES				
Roads	1,598,425	1,713,318	1,008,167	705,151
Administration	163,442	189,945	137,716	52,229
Total Expenditures	<u>1,761,867</u>	<u>1,903,263</u>	<u>1,145,883</u>	<u>757,380</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(630,397)</u>	<u>(771,793)</u>	<u>(97,407)</u>	<u>674,386</u>
OTHER FINANCING SOURCES (USES)				
Transfers From Other Funds	530,397	530,397	511,938	(18,459)
Transfers to Other Funds			(14,740)	(14,740)
Total Other Financing Sources (Uses)	<u>530,397</u>	<u>530,397</u>	<u>497,198</u>	<u>(33,199)</u>
Net Changes in Fund Balance	(100,000)	(241,396)	399,791	641,187
Fund Balance - Beginning	<u>100,000</u>	<u>226,649</u>	<u>126,649</u>	<u>(100,000)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (14,747)</u>	<u>\$ 526,440</u>	<u>\$ 541,187</u>

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2010
(Continued)

JAIL FUND				
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenue	\$ 666,837	\$ 666,837	\$ 667,666	\$ 829
Charges for Services	24,000	24,000	38,355	14,355
Miscellaneous	35,500	35,500	31,167	(4,333)
Total Revenues	726,337	726,337	737,188	10,851
EXPENDITURES				
Protection to Persons and Property	1,340,610	1,351,062	1,288,805	62,257
Capital Projects		144,674	144,660	14
Administration	205,316	205,873	173,027	32,846
Total Expenditures	1,545,926	1,701,609	1,606,492	95,117
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	(819,589)	(975,272)	(869,304)	105,968
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds			(67,087)	(67,087)
Transfers From Other Funds	819,589	819,589	945,000	125,411
Total Other Financing Sources (Uses)	819,589	819,589	877,913	58,324
Net Changes in Fund Balance		(155,683)	8,609	164,292
Fund Balance - Beginning (Restated)		11,309	11,691	382
Fund Balance - Ending	\$ 0	\$ (144,374)	\$ 20,300	\$ 164,674

WOODFORD COUNTY
BUDGETARY COMPARISON SCHEDULES
Required Supplementary Information - Modified Cash Basis
For The Year Ended June 30, 2010
(Continued)

LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND

	<u>Budgeted Amounts</u>		<u>Actual Amounts, (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenue	\$ 858,584	\$ 858,584	\$ 405,058	\$ (453,526)
Total Revenues	<u>858,584</u>	<u>858,584</u>	<u>405,058</u>	<u>(453,526)</u>
EXPENDITURES				
General Health and Sanitation	839,000	839,000	485,127	353,873
Recreation and Culture	40,000	51,304	19,788	31,516
Administration	2,584	2,586	5,106	(2,520)
Total Expenditures	<u>881,584</u>	<u>892,890</u>	<u>510,021</u>	<u>382,869</u>
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	<u>(23,000)</u>	<u>(34,306)</u>	<u>(104,963)</u>	<u>(70,657)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds			(134,484)	(134,484)
Transfers From Other Funds			225,141	225,141
Total Other Financing Sources (Uses)			<u>90,657</u>	<u>90,657</u>
Net Changes in Fund Balance	(23,000)	(34,306)	(14,306)	20,000
Fund Balance - Beginning	<u>23,000</u>	<u>34,306</u>	<u>34,306</u>	
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

WOODFORD COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2010

Note 1. Budgetary Information

Annual budgets are adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer.

The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

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WOODFORD COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

June 30, 2010

WOODFORD COUNTY
COMBINING BALANCE SHEET -
NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

June 30, 2010

	LGEA Fund	State Grant Fund	Federal Grant Fund	Disaster Emergency Fund	Total Non-Major Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 150,307	\$ 9,869	\$	\$ 5,926	\$ 166,102
Total Assets	<u>150,307</u>	<u>9,869</u>		<u>5,926</u>	<u>166,102</u>
FUND BALANCES					
Unreserved:					
Special Revenue Funds	<u>150,307</u>	<u>9,869</u>		<u>5,926</u>	<u>166,102</u>
Total Fund Balances	<u>\$ 150,307</u>	<u>\$ 9,869</u>	<u>\$ 0</u>	<u>\$ 5,926</u>	<u>\$ 166,102</u>

The accompanying notes are an integral part of the financial statements.

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WOODFORD COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information
For The Year Ended June 30, 2010

WOODFORD COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
Other Supplementary Information

For The Year Ended June 30, 2010

	LGFA Fund	State Grant Fund	Federal Grant Fund	Disaster Emergency Fund	Total Non-Major Governmental Funds
REVENUES					
Intergovernmental	\$ 70,119	\$ 61,182	\$ 7,000	\$ 59,775	\$ 198,076
Charges for Services				38,519	38,519
Total Revenues	<u>70,119</u>	<u>61,182</u>	<u>7,000</u>	<u>98,294</u>	<u>236,595</u>
EXPENDITURES					
Protection to Persons and Property		41,110		92,741	133,851
General Health and Sanitation		26,355			26,355
Social Services		4,326			4,326
Roads	21,945				21,945
Capital Projects		648			648
Administration			15,000	4,237	19,237
Total Expenditures	<u>21,945</u>	<u>72,439</u>	<u>15,000</u>	<u>96,978</u>	<u>206,362</u>
Excess (Deficiency) of Revenues					
Expenditures Before Other					
Financing Sources (Uses)	<u>48,174</u>	<u>(11,257)</u>	<u>(8,000)</u>	<u>1,316</u>	<u>30,233</u>
OTHER FINANCING SOURCES (USES)					
Transfers From Other Funds			8,000	5,000	13,000
Transfers To Other Funds				(5,697)	(5,697)
Total Other Financing Sources			<u>8,000</u>	<u>(697)</u>	<u>7,303</u>
Net Change in Fund Balances	48,174	(11,257)		619	37,536
Fund Balances - Beginning	102,133	21,126		5,307	128,566
Fund Balances - Ending	<u>\$ 150,307</u>	<u>\$ 9,869</u>	<u>\$ 0</u>	<u>\$ 5,926</u>	<u>\$ 166,102</u>

The accompanying notes are an integral part of the financial statements.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**



CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable John Coyle, Woodford County Judge/Executive
Members of the Woodford County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With Government Auditing Standards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Woodford County, Kentucky, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements, as listed in the table of contents and have issued our report thereon dated June 29, 2011. Woodford County presents its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Woodford County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Woodford County's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness on Woodford County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Woodford County's financial statements as of and for June 30, 2010, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, others within the entity, and the Department for Local Government and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

June 29, 2011

**CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS**


WOODFORD COUNTY FISCAL COURT

**For The Fiscal Year Ended
June 30, 2010**

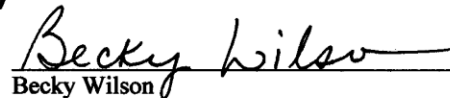
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE
AND DEVELOPMENT PROGRAMS
WOODFORD COUNTY FISCAL COURT

For The Fiscal Year Ended June 30, 2010

The Woodford County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance and Development Programs was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



John Coyle
County Judge/Executive



Becky Wilson
County Treasurer

